

FEB 24 1926

THE CREDIT WORLD

*The Official Organ of the
RETAIL CREDIT MEN'S
NATIONAL ASSOCIATION*

Incorporated

THE retail merchant who competes on terms, encourages overbuying and fails to analyze all credit risks, is the cause of all the worry about installment accounts and for him there will be a day of reckoning. He creates a condition which undermines the very fundamentals of Credit.

—D. J. Woodlock

*The Only Magazine in the World
Specializing in Retail Credits*



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NUMBER VI

FEBRUARY
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*Don't Let the Lure of Increased Volume
Cause You to Become Reckless In Credit Extension*

Issued

Keeping Your Promise!

KEEPING one's credit good means keeping promises good...for all credit is based on made and accepted in good faith. Pay according to your promises—that's the basis of your promise!

Keep your credit record clear! Protect and it will protect you!

Retail Credit Men's National
EXECUTIVE OFFICES



You Are Judged by Your Credit

YOUR credit record as shown on the books of your creditors, has a far-reaching effect on your life and affairs—it is the measuring line by which many people (and all prospective creditors) judge you.

Keep that record clear and it will help you in countless ways—in social and business life—in times of necessity and emergency.

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Keep Your Credit Record Clear!

EVERY time you open a new account—every time you secure credit from any source, you have another opportunity to strengthen your reputation for prompt payment—to make your credit foundation secure.

Keep your credit record clear! Protect your credit and it will protect you!

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Make 1926 A "Prompt-Pay Year" With Credit-Education Inserts

Haven't you often wished for some plan that would change your "good, but slow" accounts into prompt-paying, profit-making, customers?

Here's the answer: CREDIT-EDUCATION INSERTS! Written so that no one can take offense, yet they drive

Attractively printed in two colors, \$24.00 per thousand sets of twelve, \$2.00 per thousand for single inserts.

Order from the National Office

Protecting Your Credit

NO ONE can protect your credit but you—no one else can destroy it, for, always, your credit is what you make it. Your credit is one of your greatest assets—it deserves your highest protection.

Keep your credit record clear! Protect your credit and it will protect you!

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The Cash Value of Credit

"A GOOD NAME," said Solomon, "is rather to be chosen than great riches,"—and a good credit is preferable to a bank account.

In whose credit is good is never "broke"—he

that he needs, independent of money,

protect your credit record clear! Protect your credit

and it will protect you!

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Good Credit Is An Asset!

A WELL-KEPT charge account is a convenience grows with use. It does away with the inconvenience of carrying about large sums of money to pay for your purchases—and it assures you of service at all times.

Keep your credit record clear! Protect your credit and it will protect you.

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Credit Inspires Confidence

A CLEAR credit record inspires confidence in self—in your ability to do things—the confidence of others! Keep your credit record clear and you can face the world with the confidence of constructive achievement.

Keep your credit record clear! Protect your credit and it will protect you!

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Pay Promptly and Succeed!

PROMPT payment of bills is one of the cornerstones of success and a good credit record is the passport to financial independence. Make your credit record a "credit" to you—use it as a stepping-stone to bigger things.

Keep your credit record clear! Protect your credit and it will protect you!

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Your Credit Record Follows You!

KEEP your credit record good and you'll always find credit when and where you need it. Move to points, travel in strange places and your credit follows you—for good credit at home means good credit abroad.

Keep your credit record clear! Protect your credit and it will protect you!

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Faith—The Basis of Credit

FAITH in people—in their integrity—their purpose—is the basis upon which all credit is based. A high credit rating is based, not so much on one possesses as how he respects the faith reposed in him.

Keep your credit record clear! Protect your credit and it will protect you!

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How Credit is Established

GOOD intentions, valuable as they are, cannot build good credit. Only by religiously living up to every agreement, discharging every obligation when due, is credit established. And only in that way can it be maintained.

Keep your credit record clear! Protect your credit and it will protect you!

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THE CREDIT WORLD

Official Organ of the



RETAIL CREDIT MEN'S NATIONAL ASSOCIATION

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DAVID J. WOODLOCK, *Editor*

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EDITORIAL

Let's Get Right on Installment Selling!

INSTALLMENT selling seems to be the most mooted question of the hour—the leading topic for discussion in commercial and financial circles. In business meetings—in conventions—in the business magazines—its opponents and its defenders rise alternately to “view with alarm” and “point with pride.” Even our friends of the Wholesale Credit Men’s Association are sounding warnings of the unsoundness of the plan and laying the blame for all its faults at the door of the retailer. And this, in spite of the fact that the plan originated among the manufacturers themselves.

There appears to be no fault to find with the sale of merchandise possessing a tangible value extending beyond the time of payment, such as automobiles, furniture, musical instruments and household equipment, so we will dismiss that angle and confine our thoughts to perishable merchandise, such as clothing, shoes, etc.

In this connection, it is well to remember that it was the manufacturer, not the retailer, who conceived the plan. For years clothing manufacturers have complained that the sale of automobiles on installments caused a falling-off in the sale of clothing, because (they reasoned) people were required to meet the payments on their automobiles and could not afford to buy clothes. So, someone figured, if the installment plan could be applied to clothes, the clothing industry could be put on a competitive basis with the automobile industry. Thus, the so-called Ten Payment Plan was created.

There is nothing fundamentally wrong with this plan if the same rules regarding credit on open accounts

are applied. In practice, however, it immediately created competition on terms—*credit competition*—among rival retailers and, as a result, the time payment was extended to three, four and six months. It also created a lack of proper credit supervision, and many customers were encouraged to buy in excess of their ability to pay. In addition, the plan has had the effect of changing many good cash customers into time-payment customers.

These are the only faults we have found with the plan, and it is the abuse—not the use—of the plan which we feel should be censured.

As we have stated before, we find no fault with installment selling of merchandise of tangible value, and we find no fault with the ten-payment plan if it is based upon sound credit extension.

Undoubtedly, it was originally intended for use in connection with sound credit principles, and, when its users depart from these principles they are only courtting disaster. The Code of Ethics of this Association lays down the law very positively regarding the encouragement of individuals in overbuying and makes the merchant or credit man who does such things equally guilty with the debtor.

If we will only stick to our ideals and apply to our business—whether it be the thirty-day-account method or the ten-payment-plan—the basic principles of intelligent credit granting, we can increase our business volume, without suffering individual loss, and without undermining the financial structure upon which our national prosperity rests.

David J. Woodlock



The Secretary's Page

Our Southern Conference

Knoxville Credit Men are making preparations to hold one of our most important Conferences on March 15th and 16th. All Credit grantors and bureau managers south of the Ohio River and East of the Mississippi are invited. An instructive and entertaining program is being arranged.

The following National Officers will attend: E. B. Heller—Vice President—St. Louis, A. W. Goldschmid—Director—Memphis, L. M. Karpeles—Director—Birmingham.

Also Past President G. A. Lawo of Memphis and Past Treasurer R. H. Poindexter of Nashville, Managing Director D. J. Woodlock and Division Secretary J. R. Truesdale.

We urge all members who can possibly do so to attend this meeting for its educational features.

Make reservations with D. W. George, Secretary Retail Credit Men's Association, Knoxville.

El Dorado Arkansas has Live Retail Credit Association

Secretary W. C. Weager of the Retail Merchant's Credit Association of El Dorado, Arkansas has announced the opening of a school of Credits. Classes will be held every other Tuesday and the following subjects will be taken up.

School of Credits

ASSOCIATED RETAIL CREDIT MEN OF EL DORADO

Credit Granting—Advantages and Problems.

Credit Department and Credit Manager.

- Opening the Account.
- Closing the Account.
- Authorizing the Charge.
- Limits and Overlimits.
- Collections.
- Suspense and Profit and Loss Accounts.

- Installment Accounts.
- Customers Business and Personal Troubles.

- Credit Office Efficiency Methods.
- Book Keeping Department Methods.
- Returned Goods Evil and Discount Policy.

- Business Building.
- Credit Co-operation between Banker and Retailer.

- Financing Accounts through Banks.
- Reference Clearance Bureau.
- Complete Credit Reporting Service.
- "The Retail Charge Account" by Walter has been selected as the textbook.

Pueblo Holds Big Meeting

On January 20, the Retail Credit Men's Association of Pueblo, Colorado held their annual meeting in the banquet hall of the Congress Hotel. Over two hundred merchants, bankers and credit men were present. Short talks were made by a number of credit bureau managers from near-by towns. The principal speakers were T. P. Foote, President Retail Credit Men's Association of Denver, C. M. Reed, Director of the Retail Credit Men's National Association and David J. Woodlock, Managing Director of the Retail Credit Men's National Association.

Pueblo has an ideal credit organization under the management of Mr. C. O. Stiles, who was responsible for this meeting and the improvement of credit conditions in Pueblo during the past few years. A movement is on foot to double National membership.

Ostermayer Back on Job

Past National Director Harry Ostermayer, Credit Manager of Woodward and Lothrop, Washington, D. C., who suffered a breakdown last year and was forced to take an extended vacation, is back on the job with a gain of 30 pounds.

He expects to join the Washington delegation to our National Convention.

A Model of Efficiency

The Credit Accounting and Collection system of the Denver Gas & Electric Company of Denver Colorado is a model for Public Service Corporations who are struggling with the selling of gas and electric appliances on the installment plan. Mr. Wm. Murphy, who for several years has been a leader in our Public Utilities Group, is in charge of the credits of this concern and is always willing to assist our members by giving them the benefit of his experience.

Who Needs This Man?

We know a clean cut, aggressive man, 28 years of age, at present employed as Manager of a Credit Bureau in a small Western town. Capable of handling a much larger proposition. He is a real find for any city in need of a Credit Bureau Manager. Address D. J. Woodlock, Retail Credit Men's National Association, St. Louis for further particulars.

Colorado Wyoming Bureau Managers Meet

The Credit Bureau Managers of Colorado and Wyoming held their semi-annual meeting in Colorado Springs, Colorado on January 21 and 22 at the Antler Hotel. Twenty-six out of a membership of twenty-nine cities were represented. The two days were devoted to a discussion of credit and bureau problems. A uniform blank for reporting collections was adopted and changes in lien and exemption laws were recommended. The meeting was presided over by W. F. DeVere of Cheyenne with C. D. Campbell of Denver as Quizmaster. A Banquet was held on the evening of the 21st and broadcasted over Radio Station WX-X. The speakers were Willias Simms, a banker and one of the founders of the R. C. M. N. A., Chas. C. Reed, Manager of the Retail Credit Men's Association of Denver and Director of the R. C. M. N. A. and D. J. Woodlock, Managing Director of the R. C. M. N. A.

Mr. O. B. Pratt of Colorado Springs was elected President, and C. M. Reed Secretary Treasurer. The next meeting will be held at Cheyenne, Wyoming.

Sparks Goes to Cincinnati

National Director, H. C. Sparks, Assistant Treasurer of the Industrial Bank of Detroit has been elected vice-president and General Manager of the Morris Plan Bank of Cincinnati. Mr. Sparks has for years made a study of retail credits and industrial banking and this recognition indicates he has gained a nation-wide reputation as success in that field.

Credit Manager Wanted

A department store in one of the South's largest cities requires the services of a thoroughly competent credit manager; one who is experienced in dealing with Southern people. Must have initiative and ability necessary to produce more business. Wonderful opportunity for the man who can produce results. Applications held in confidence. Address Box C17—Credit World.

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THE CREDIT WORLD

February, 1926



Relation of Credit Department to Sales Department

By H. T. Seesel, Controller, The Golden Rule, St. Paul, Minn.

At the time many department stores in the United States became interested in the question of selling more merchandise by selling terms, I became interested in how the Credit Department could help the store increase its volume without dwelling upon the subject of terms.

It is hard to say whether the ideas I will express to you are as successful as the basis of selling terms, particularly as the immediate results are not as quickly ascertained. I do think that over a period of years, through all kinds of financial conditions, and as a benefit to the store as a whole, the Credit Department, as a selling agency, will be more beneficial through general sales promotion than through selling terms and partial payments.

Let me explain what I mean by general sales promotion.

Last week when I was in Chicago I was talking to the owner of one of the largest retail stores there, this owner being particularly interested in the division of expense. He asked the small group that was in his office if it was possible to charge certain parts of the Credit Department expense to the functional division termed "Selling" instead of "General Administrative."

This question brought up discussion and we learned that the owner of this store had successfully divided his Credit Department into three distinct groups. The first group he called "New Accounts and Sales Promotion." The second group "Administrative" and the third group, "Collections." These three groups were under the control and direction of the manager of the Credit Department. It was his duty to see that each group functioned properly and, through three assistants, each one heading one of the three groups I have just mentioned, this Credit Manager was able to develop his department to a high degree of efficiency.

After further investigation I learned that group 1, that of New Accounts and Sales Promotion, was the group to

which this store owner desired to charge all the expenses it incurred. He was perfectly satisfied to charge all the ex-

When real co-operation between the sales and credit departments is attained, business is sure to increase; for the credit man, in his close and frequent contact with the customer, can offer sales suggestions when the customer's sales resistance is at its minimum.

In his article, Mr. Seesel points out the possibilities of sales promotion by the credit man, and tells us how some of our leading stores increase sales by a progressive credit department.

penses of Group 2, Administrative, to the Administrative end of his business, but he even suggested that the Collection Department, if handled along proper lines, might partly be charged to selling expenses.

The idea of any part of the Credit Department being a selling division of the store, especially from an expense standpoint, was new to most of us; but from a strict sales promotional view this thought has been in our minds for some time.

Can you visualize the possibilities afforded this Group 1 for increasing the sales, (to say nothing of the Good Will) of any institution? If this group is managed by a man of vision, he has every facility at his hands for developing a larger volume, larger unit of value sales and larger unit of sales per account on the books. In addition, he can create new business; he can create

new accounts; make new friends and maintain all these friends for his firm.

Did you ever ask yourself the question, when looking over your accounts, "Why does Mrs. Jones buy washing powder and washing soaps in our Housefurnishing Departments and never buy a coat or a dress?" "Why does Mrs. Smith buy a dress occasionally but never a piece of drapery, a piece of furniture or anything for the improvement of her home?" Thousands of questions like these two, if asked and properly answered and with energetic sales promotion work put behind them, would increase the sales of your institution as much as all the term advertising that you could do for a long period.

Three per cent of your new sales are spent yearly in drawing the people into the store. Another one per cent, approximately, is spent to put the account on the books and maintain it there; but I wager that a small part of one per cent is spent yearly to develop that account, once you have it, to its fullest possibilities.

When I worked in a bank in the Note Teller's cage, a man came in one day and said, "Hello Seesel, aren't you glad to see me?" I looked at him and frowned because I knew he was borrowing quite a bit of money from the bank and was one of those individuals that never read his note, for I assumed he thought the note said, "I promise to renew" and not "I promise to pay." I was curious to know why he asked if I wasn't glad to see him and I frankly asked him the question. He said, "Don't you know that your depositors come in and leave money with you and unless I came in and borrowed it and paid you interest it would be impossible for the bank to pay your wages?" This is the way that you should look upon every new account that comes in to your store. Don't assume that you are doing your customers favors by opening accounts for them. I don't care how their credit standing happens to be and I say this because I assume you will only open accounts with those who have good

credit standing, but you should always look upon that new-account customer as though the customer was doing you a favor in coming in and asking for an account. The customer has done the firm a favor in selecting that firm to buy merchandise from. It is the same case as in the bank; your firm may be the best buyers of merchandise in the world, barring none; but until they become the best sellers of merchandise they will not have money enough to pay wages and other expenses incurred in doing business. Do you ask your new-account customers, after you have opened an account for them, if they have seen certain merchandise that is on sale in any of your departments for that day? Put yourself in the customer's place and try and visualize how agreeable it would be to you if you opened an account in a store to buy a suit of clothes and the Credit Manager, or the man in charge of new accounts, said to you, "Mr. Smith, it will be a pleasure to open this account for you and if you so desire you may use it immediately. By the way, have you noticed the good values we have on sale in men's shirts today?"

I think if this practice was maintained for a long time, both in opening a new account by interview and by letter, the efforts would be noticeable within a short time. The only hardship would be that increases in these sales are hard to trace to the efforts of the Credit Department.

First it was the Merchandise Manager, then it was the Controller who came into fame in the retail department store and now I feel safe in prophesying that the wide awake Credit Manager, with sales promotion ideas, will become an individual as great as any other in the retail field.

The second group that the store owner in Chicago outlined was a group that dealt entirely with the internal workings of the department, such as stenographic, proper authorizing, both on the office end and on the delivery end, adjusting and other details of working information from the ledgers to be presented to Group 1.

The third group, that of Collections, presents nearly the same sales possibilities as the first group. The main difference in these two groups is that the first will deal with customers who are new to your institution and the third group deals with customers who are old, but have become lax in their method of distributing their compensation.

Not all of the individuals whose names are turned over to the Collection Department are bad accounts, for an account that may be \$25.00 behind to-

day may be spending \$25,000.00 a year, in the future.

If I owned a store, I think I would be lenient in granting credits, and strict in collecting them. I think it is not necessary that a man should have five times as many assets as he has liabilities in order to buy his necessary needs from our institutions. When all is said and done, the greater majority of the people are honest and the Credit Department of a retail institution is more concerned with the character of the individual and his earning possibilities than they are with the net worth.

The largest stores in New York City are the easiest ones to obtain credit from. You can go into any store on Broadway at 10 o'clock in the morning, and make a purchase, charge it, ask them to send it to your hotel, and it is usually there by 6 o'clock. I imagine that they have a very comprehensive credit information bureau, where not only the local customers are registered but many out of town accounts are kept.

Think over the possibilities of sales promotion and selling help that the Credit Department can give the rest of the store. It is not necessary for small institutions to divide their department as I have outlined, other than to draw a chart showing these divisions. The Credit Manager can assume the three rôles if he is versatile enough, but in the institutions who have a larger business, I feel sure if the divisions are made as I have outlined, and the men allowed to think constructively along their special lines, the best results will be obtainable.

I would like to dwell a few minutes on the new-fashioned method of selling, "Nothing down and the balance per week," and I do not wish to be understood to quote any policy of my own institution or other firms, but just to bring before you, some of the fundamental advantages and disadvantages to this method of selling.

A great many merchants have overlooked economic fundamentals in their desire to increase their business, to say nothing of their desire to increase their business at an increased cost of doing it. Many of them will argue that by increasing their sales on term business the volume will lower their general expense. This may be true so long as conditions and collections are good. The merchant who has large outstanding contracts, in times of stress when business is not so good, will add materially to the cost of doing business in trying to keep these contracts in order and paid up-to-date.

The fundamental principles for selling goods on time and partial payment plan may be divided as follows:

Where the merchandise is of a permanent improvement and where outlay is to be taken from the capital account of the individual, it is within the proper economic channels that this merchandise be sold and paid for during its life, but where the merchandise is a necessity and naturally short lived and where the outlay is from the money devoted to the upkeep of the individual, the merchandise should never be sold on terms.

In making these statements I am speaking strictly along the lines when the merchandise is taken and used at the time of the initial down payment and I have no reference to so-called Laybys or Will Calls.

The country at the present time, as shown by the Federal Reserve Board statement of January 11, is experiencing active and large increases in merchandise sales. This I mean in a retail way. It is easy enough for the heads of our retail institutions to look ahead and see long-lived prosperity and, while I am not a bit pessimistic about the immediate future outcome of the retail business in the United States or in this locality, I certainly think that the heads of retail institutions should be governed by economic fundamentals, rather than by local or country-wide temporary conditions. The statement you usually hear when officials of a retail store are discussing whether or not they should sell on a time basis is the argument that the automobiles have been sold this way successfully and that their losses are very small and, because the automobile industry has taken so much of the national wealth under this system they see no reason why the retail merchant in selling his wares should not do the same.

The automobile does not come under either one of the two divisions that I mentioned some time ago, inasmuch as it is neither a capital improvement nor a necessity, but, being a luxury, it is very often paid for out of the capital available for permanent improvements. We can stay here all evening and argue this point. The clothing man would say the money spent for automobiles is not spent for clothing at the present time. The furniture man would say it is not spent for furniture. The confectioner would say it is not spent for candy and I think if the chewing gum business was suffering a loss they would lay it to the amount of money spent on automobiles. The facts do remain, and I think they can be proved by figures that we are selling just as many sub-

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"Sponging" Information

*By L. A. Eldred, General Manager, Weld County Credit Association,
and Creditors' Adjustment Company, Greeley, Colo.*

In polite circles perhaps this talk should be entitled—"The Direct Inquiry Evil" or as some one suggested when I said I had to talk about "Sponging"—why not call it the "Old Soak."

The fact of the matter is that we bureau secretaries have gotten so tired of this malicious practice being called by some nice-sounding name, that we have decided to call it by its right name—"Sponging" Information. Even a perfect stranger to credit practices or credit bureau work would know what we meant when we talked of "Sponging" Information.

The bright school boy, when asked to define a sponge said—"It's something that soaks up everything in sight but has to be squeezed to get anything out of it." So, who wants to be a "Sponge"?

This school boy definition is pretty applicable right down the line. The type of merchant or credit man who is always trying to get credit information without cost by imposing on his neighbor in business, is usually just that type—"Wants to soak up everything in sight, but has to be squeezed to get anything out of him." He didn't just happen that way after he got in business, —No, it goes back a long way, as the man said when he ordered ox-tail soup.

No, it didn't happen; he was born with that streak of oneryness in him. I'll bet dollars to holes in doughnuts that when he was in school or college that he was President or a high officer in the "Gi-me" club. You know what I mean when I talk about the "Gi-me" boys. This usual method of starting a conversation is "Gi-me a cigarette"—or "Gi-me a loan of five dollars"—it's always Gi-me this or Gi-me that. This type is usually prone to cheat in examinations and to copy, and perform noble acts like that. Some of these "gi-me" boys outgrow the habit, but a lot of them take it into the business world with them. When they get that far, they seldom reform of their own accord, but a lot of persistent effort on the part of the merchants they impose on will often produce results and make assets out of liabilities. You know that every man in every community is either an asset or a liability. When any individual or group of individuals operates a business, that business reflects the man or men at the head of it. Just as each man is an asset or liability to his community, just so is his business run on the same plan.

The Booster, the man who does his best to make business safe; who helps to improve the community through improving the credit standing of his customers, is a distinct asset. The man who won't cooperate; who "sponges" off his neighbor, is a liability, and it is part of the work of the credit bureau

"Making confidential credit inquiries often has surprising results. You inquire direct and someone is apt to give you a lot of misinformation just from a perverted sense of seeing you lose, too.

"You get little enough information; you get wrong information; you stand a chance for a damage suit; you boost the game of the slow-pay and dead-beat; you undermine the work of your Credit Bureau, whenever you make a direct inquiry or answer one."

—L. A. Eldred

and its loyal members to try to turn these liabilities into assets.

WEBSTER defines a "sponge" as follows:—"One who lives on others"—"A parasite"—"To get by imposition or mean arts without cost"—"to live meanly at the expense of others." Now again I say, who wants to be a "sponge"?

Now just in case you all have decided that I've merely got a grouch on and am just trying to "pick a fight" on this particular subject, I want to assure you that of course present company is excepted. I believe in being diplomatic as was the case between two section men working a hand-car up grade. Mike decided that Pat was "soldiering" on the job, so he remarked to the world at large,—"Not mentioning any names, but some son-of-a-gun on this hand-car ain't workin'."

Now, since everybody is secure in his own mind that I'm talking about the other fellow, I can get down to business and tell you what I really think about the merchant or credit man who makes a practice of "sponging information."

I don't suppose that there is a single merchant or credit man in Colorado Springs who says, either by actions or words, "I don't have any use for the Credit Bureau,—I don't propose to pay for my information. No Sir, I'll just call up some of the boys who do belong and ask them about Jim Smith or John Doe, they are good fellows, they will tell me and I'll save my jack." Did you ever hear of anything like that? I asked a member of the Bureau this morning about that and he said—"Gosh, No. They don't come in singles, we have 'em by the dozen." Most cities have the same problem. I told him I was going to talk about that phase of the credit work and he said—"Say! Do me and the other members a favor, will you?" I said—"Sure, I will if I can—what is it?"

He said—"Handle 'em rough. Those chaps who call us instead of calling the Credit Bureau as they should are sure a nuisance."

I asked him—"Well, why do you encourage it by giving them the dope?" To which he replied—"It's a hard proposition to handle. Often we are members of the same church, the same luncheon club or something like that and it's hard to turn them down, but," he went on, "lately a few of us have decided to call a halt on requests from these 'sponges' as you call them, and make only one reply to requests of this kind, and that is this—**CALL THE CREDIT BUREAU AND CLEAR YOUR INFORMATION WHERE YOU SHOULD**, if you're not members, then join and pay your way the same as the rest of us."

Now, if you merchants who do support the Credit Bureau will only stick together and tell something like that to these "sponges" you can make good credit men and good bureau members out of them. No, its not the job of your Bureau manager to stop this "bootlegging" of information. Its the job of the merchant who gives out the information to work in conjunction with the Bureau and stop it. Every time you answer or make a direct inquiry you are kicking out a stone in the foundation of your credit bureau. Don't forget that.

You remember Webster said—"One who lives meanly at the expense of others." That last clause—"At the expense of others" is worth serious con-

sideration. When you answer a direct inquiry from some other merchant or credit man you are making yourself liable for a damage suit. Put that in your pipe and smoke it!

Your business is merchandising, not credit reporting. You have no contract or agreement with any other merchant or credit man to give out information bearing on the character and credit responsibility of any customer. There are cases on record where the person reported on has sued the firm making the report for heavy damages, and made it stick. Even though you were able to beat such a case, such an affair would cost you a pretty penny in attorney fees and loss of trade. WHY TAKE THAT CHANCE? The "sponge" who was trying to get the information for nothing its not liable,—there is no penalty in asking—the penalty is in the giving of that sort of derogatory information.

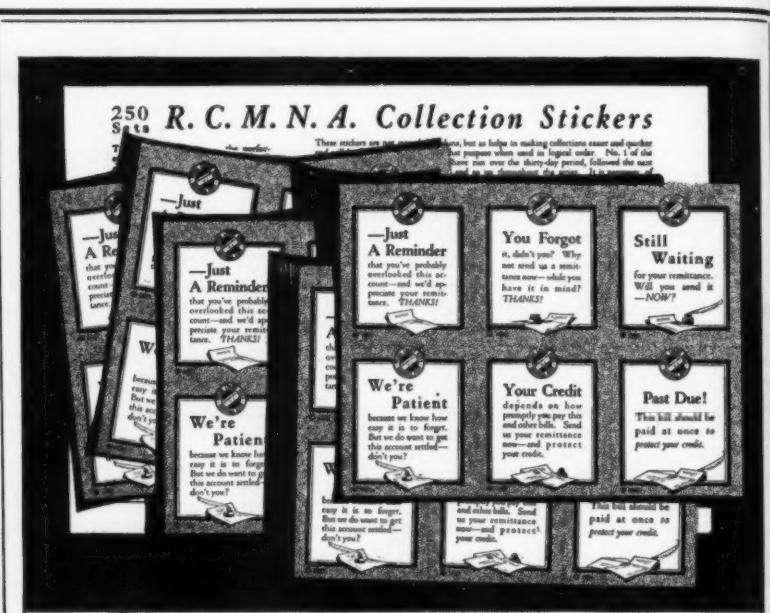
Your credit bureau is organized for the express purpose of receiving and giving out information to its members, bearing on the credit responsibility of any one of the buying public. You can safely report any information to the Credit Bureau and they can in turn safely give you information without any danger of a damage suit. Your membership in the Association makes the giving and receiving of such information come under the "privileged" class. Not only are you safe in clearing reports through the Credit Bureau but by so doing you GET ALL THE INFORMATION AVAILABLE on that particular party instead of a single trade experience. And let me emphasize that point—**A SINGLE TRADE EXPERIENCE (OR EVEN TWO OR THREE), IS NOT SUFFICIENT ON ANY CUSTOMER. HIS ANTECEDENT HISTORY IS IMPORTANT.**

Speaking of Antecedent information—
The old habitual deadbeat,
To Heaven made his way,
And knocked upon the Pearley Gates
And the Angels heard him say—

I want my name put on your books,
I'd like a harp and gown,
I have a lot of references,
From big men in our town.

There's Parson Jones, Professor Brown,
And the banker, John McGrew,
They've spoken well of me before,
I'm sure they will to you.

But the Angels called their Credit Man,
A fellow named St. Peter.
And in a very knowing way
He said to this Deadbeater,
(Continued on page 20)



Read these stickers—they carry money-getting messages

Watch Collections Closely For the Next 90 Days!

This is a crucial period in collections! Christmas purchases were heavy—many charge customers overbought—in the high enthusiasm of holiday giving.

Now, comes the reaction. Many accounts, unless watched carefully, will slide into the ninety days—six months class and you know what that means.

Get the Jump on Collections with the National Sticker System!

Start right now on your overdue accounts. These stickers, inexpensive, almost automatic, will take a big expensive load off your collection department. And, they'll get the money without offending the customer.

All that is necessary to start the system is to make up statements of all your overdue accounts, attach sticker number one and mail them. Ten days later repeat with number two and so on—even your most hardened slow-pay, by the time he has received the entire series will realize that your bill will have to be paid.

Six Stickers to set as shown—printed in two colors, text, emblem and inside border in black, wide outer border in bright blue. Packed 250 sets of six in strong envelope as shown, with full instructions for using.

250 sets of six (1500 in all) \$2.00.
1000 of any one sticker \$2.00

**Retail Credit Men's
National Association**

Equitable Bldg.

Saint Louis

Thrift—The Basis of Good Credit

By Ralph F. Taylor, Sec'y-Treas. Altoona Discount Co., Altoona, Pa.

A Radio Address on Thrift—Broadcast from WFBG

National Thrift Week which is being observed locally as well as in thousands of towns and cities throughout the United States ends today with a nationwide appeal for the prompt payment of bills as one element of personal thrift. The object of "Pay Bills Promptly Day" is to impress upon all persons the value of preserving their credit.

When the individual takes care of his credit and meets his obligations promptly, the wheels of commerce function properly and business transactions move smoothly. Then we have prosperity. But illegitimate credit, meaning misplaced or abused credit, causes nearly all business failures. The more perfect a country's credit system the more remote is the probability of financial panic.

Early in the history of this country, beads and trinkets were the medium of exchange between the Indians and the first settlers. Tobacco at one time in the province of Virginia was used as money and accepted as legal tender. Later, with the formation of the new government, gold, silver, and copper pieces became the coin of the realm. The immense commerce of this nation has now outgrown this medium of exchange and, even if all the gold in the United States were made into coin, it would not be sufficient to cover the vast sales and exchange of commodities that takes place in our country every day. Gold having become inadequate, man has devised another precious thing to bridge the gap. He has placed a value on the honesty and integrity of his fellow man and called it Credit. Credit now occupies such an important place in our economic life that over 90 per cent of the commercial transactions of the country are settled by credit instruments such as checks, drafts, and promissory notes.

However, the subject with which we are dealing tonight is Personal Credit. This is of vital importance in the make-up of the economic fabric of the nation, for it is an integral part of it. It forms the very foundation stones of our whole credit structure.

Credit has been described as the confidence others put in our integrity. The merchant who sells you a bill of goods or an article of merchandise on time payment, places so much value on your willingness and ability to pay him in

proper time. When you comply with the terms of the transaction you have justified his appraisal of your honesty and integrity. Otherwise you have proven yourself unworthy of his confidence and have justified a discontinuance of any further favors from him along credit lines.

"You owe it to yourself, to your fellow man, to your community, and most of all, to your conscience, not to run up a bill unless you have reasonable expectation of meeting that bill promptly. It is the only way you can maintain that greatest of assets, your good name, and acquire financial independence and freedom from debt, and without these there can be no true happiness."

—Ralph F. Taylor

The President of the National Association of Credit Men is credited with the statement that "There are proper and unavoidable debts, but reckless, selfish, spendthrift debts are wholly vicious." The hardest debts to pay are these of the latter class. The man who is buying some needed and useful article for the furnishing of his home, one that adds to its comfort or lessens the burden of his good wife usually finds a way to pay for it. He will meet the installments on his home, on a new furnace, an electric washer or good furniture in some way or other. These things are necessities and add to his comfort and contribute to his usefulness to society as a whole. They are legitimate debts if they have been kept within the limits of the income and ability of the debtor to pay. There are also the unavoidable debts incurred in sickness, by accident, or by death. Man has no control over the acts of Providence and often a worthy fellow finds himself enmeshed in a multitude of bills from such causes. But his attitude toward them rather than their existence

is the important thing. If he assumes his responsibility honorably and pays as much and as promptly as his income will permit, he is entitled to the utmost consideration.

But the greatest danger that threatens the economic welfare and happiness of people of average circumstances today is the ease with which they contract and assume obligations to pay for luxuries and nonessentials, and the great extent to which their future earnings are already mortgaged by such purchases. Credit has been too cheap, and many have bought beyond their means to pay. An article may be a great blessing and pleasure in the hands of one who can afford it and at the same time a curse and a burden to one who has mortgaged his income and neglected his legitimate obligations to obtain it. He does not pay, not because he does not want to, but because, through bad judgment and the lack of every element of thrift, he has assumed an obligation beyond his ability to pay.

Then there is another species of debtor, and that is the fellow who has no sense of obligation whatever. His slogan is "Why should I worry, let the other fellow do that." He goes from store to store contracting debts without the slightest expectation of meeting them promptly. He is the professional deadbeat, the slow and the delinquent of the installment house. You will usually find him on the books of almost every credit house in town. On his account, credit associations are formed and credit bureaus are operated. Altoona now has a very efficient credit bureau that has done much toward reforming the credit habits of these unsatisfactory debtors. This bureau not only safeguards the merchant against the professional bad account but it also affords a ready reference and a help to the honest man of moderate circumstances who must at times ask for an extension of credit but who expects to pay promptly.

The man who does not meet his obligations as he should soon finds that he can get no more obligations to meet. He soon becomes a marked man and even though his subsequent needs for credit should be real and legitimate he

will still be remembered for his past credit habits and be regarded with suspicion when he asks for credit again. One with such a record has no hope for success for he has lost the confidence of men without which he cannot advance or achieve. He is cheating himself and those dependent on him of many of the comforts and pleasures of life.

The merchant must sell his wares to persons who pay; otherwise his business must stop. The banker must loan his money to those who pay it back when due; otherwise he would have to close his bank. The man who does not pay promptly his just obligations is not sought as a customer nor wanted as a borrower by a bank. Business opportunities will have to be passed up by him and his chances of success in life are few indeed. From the selfish standpoint there can be no argument against a man discharging his just debts. The man who pays his bills promptly not only establishes and maintains a reputation for integrity and right dealing, but he is also protecting himself and those dependent upon him against a rainy day, providing for the education of his children, insuring home comforts and some of the luxuries of life for his family, and peace of mind for himself.

An analysis of the successes of many of our leaders of industry and men of affairs reveals the fact that, solely upon this trait of promptly meeting their bills and having a well-developed sense of honor toward their obligations, did they base the reason for their chance in life. Their word was their bond. Men able to help were willing to help because they knew that only an act of Providence would prevent the prompt payment of the credit extended.

Andrew Carnegie was one of those who traced his first step on the ladder of success to the confidence and trust that was imposed in him by a banker who made him a loan solely on the strength of his integrity and good name. It is interesting to note also that it was an Altoona banker who made that loan. It is also reasonably safe to assert that Altoona bankers today are as ready now to help men who safeguard their credit and cherish their good name as they were in Carnegie's time.

Andrew Carnegie himself tells it in these words:

"A very important incident in my life occurred when one day in a train a nice farmer-looking gentleman approached me, saying that the conductor had told him that I was connected with the Pennsylvania Railroad, and he would like to show me something. He pulled from a small green bag, the model of the first sleeping car. This was Mr. Woodruff, the inventor. Its value

struck me like a flash. I asked him to come to Altoona the following week and he did so. Mr. Scott (Thomas A. Scott, at that time Vice-President of the Pennsylvania Railroad), with his usual quickness grasped the idea. A contract was made with Mr. Woodruff to put two trial cars on the Pennsylvania Railroad. Before leaving Altoona, Mr. Woodruff came to me and offered me an interest in the venture which I promptly accepted. But how I was to make the payments rather puzzled me, for the cars were to be paid for in monthly installments after delivery, and my first monthly payment was to be \$217.50.

"I had not the money and had no way of getting it. But I finally decided to visit the local banker and ask him for a loan, pledging myself to pay at the rate of fifteen dollars a month. He promptly granted it. Never shall I forget his putting his arm over my shoulder saying 'Oh Yes, Andy, you are all right.' I then and there signed my first note. Proud day this: and surely no one will dispute that I was becoming a business man. I had signed my first note and, most important of all—for any fellow can sign a note—I had found a banker willing to take it as good. My subsequent payments were made by the receipts of the sleeping cars and I really made my first considerable sum from this investment in the Woodruff Sleeping Car Company which was afterward absorbed by Mr. Pullman."

This is the story of an actual experience, the experience of a man who lived right here in Altoona—but what does it teach? Men don't suddenly happen upon success. They do not spring into financial independence overnight. Andrew Carnegie did not get the loan from this Altoona banker by chance. The fact of the matter is that Andrew Carnegie had laid the foundation for that loan during all the months of his residence in this city and long before it ever occurred to him to ask for the loan. He had no doubt established a good credit standing unknowingly in all his relations with men. He had evidenced honesty of purpose and honorable traits in all his business dealings. That banker knew he was a good credit risk, that he would meet his obligation and pay his just debts, so he gave him the money which he declared enabled him to acquire his first considerable sum.

Another outstanding character in the financial world who made a success of life through thrift and integrity was John Jacob Astor. At seventeen he left his father's butcher shop near the Rhine, and the unfriendly tongue of a stepmother, to set out for himself. With

his scanty wardrobe in a bundle which he slung over his shoulder by a stick and a mere pittance in his purse he set out from Waldorf on foot.

"Soon after I left the village," said he, in after life, "I sat down beneath a tree to rest and there I made three resolutions: To be honest, to be industrious, and not to gamble."

He had but two dollars in his pocket, but this was enough for his purpose. The Rhine was not far distant and he made this journey on foot. Upon reaching the river he is said to have secured a place as oarsman on a timber raft. Upon reaching the Dutch seaport at the mouth of the Rhine, young Astor received his wages—about ten dollars, the largest sum he ever possessed—and took passage on a vessel for London. At the end of two years he had saved enough money to take him to America. He was the possessor of a suit of good clothes besides his ordinary wearing apparel and fifteen guineas of English money which he had saved from his slender earnings by the absolute denial to himself of everything not essential to his existence.

Here we have the stories of two men who acquired wealth in great amount. Starting out, neither one had anything but a good name and a strong determination to keep it above reproach. Any man with the same determination and the industry and initiative of these men can do what they did, but he must have the determination. If he denies himself all things not essential to his existence, he will develop in himself the same moral courage and self discipline that enabled John Jacob Astor to build up his fortune. If he honors his obligations and pays his bills promptly, dealing fairly and honorably with his creditors, he can build up a name for himself that will stand him in good stead when opportunity comes to him as it did to Andrew Carnegie.

France cannot pay Uncle Sam because Germany has not paid France. Germany cannot pay France because we are not buying German goods and so it goes. Credit is an endless chain. When you pay the merchant, the merchant can pay the wholesale house or the manufacturer which employs you.

In closing, let me say that you owe it to yourself, to your fellow man, to your community and, most of all, to your conscience, not to run up a bill unless you have reasonable expectation of meeting that bill promptly. It is the only way you can maintain that greatest of assets, your good name, and acquire financial independence and freedom from debt, and without these there can be no true happiness.

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The President's Message

We are building for America a Retail Credit structure. Beginning with our Credit Bureaus, well equipped, well managed, well financed, we advance to local associations of retail credit men, so that by association and contact our merchants come to think the same thoughts and speak the same language, thus developing a community credit policy. The next needed step is a regional or district organization.

Once a community credit policy is established, our credit men, awake to the advantages of cooperative organizations, reach out for something greater. When merchants realize that retail credit is an implement of business equally advantageous to merchant and customer, they immediately seek to expand their credits. In order to expand safely, they seek credit information of the Bureau type, and organize or subscribe to Bureau Service. Once that far, they feel the need of a community credit policy. Having satisfactorily developed along that line, they find broader needs.

Probably one of their first thoughts has to do with better state laws. They find personal voluntary bankruptcy increasing; people are allowed unfair exemptions from judgment; garnishment and bad check laws may be weak. There may be need of better protection

for their installment business. People move into the community with bad records, indicating a lack of education as to how their credit may be made an implement of thrift and accumulation instead of a millstone 'round the neck.

Thus our merchants seek the counsel and cooperation of their fellow merchants in the neighboring community. Even before the merchant has reached this point his demands for credit information have caused his bureau to establish means of exchange of information between the various communities. Once the local development becomes safely on the road to real accomplishment, Mr. Merchant demands more.

The answers to this demand are two—nor is either nearly developed yet. Our National Association was formed as an answer to this need, and its usefulness is not half developed. But long ago—at least a half dozen years ago—it was evident to those who thought out the situation that some sort of regional association was needed too.

We who have watched and studied the growth and development of our credit structure observe that our State or Regional conferences are great successes. A half dozen or more of them are now annual events. Here in the Pacific Northwest we pioneered the Regional Conferences as we cradled the

infant National Association. Spokane was host to the first Northwest Conference, as it was to the meeting that organized the National. Your president was chairman of the program committee that first year. In May, 1926, Spokane will again be host, Portland, Tacoma, and Seattle having taken their turn.

Year by year we find these conferences growing bigger and greater. But five or six cities sent delegations to the first. Last year sixteen cities were represented. This year there will be many more. That first year there were reporting bureaus in only a half dozen or so cities in Washington, Oregon, Montana, Idaho, and Western Montana. But four cities had ten or more National Association members. Now there are thirty odd bureaus, members of the Service Division, and seven cities have 100% National membership. The coming year will see several more.

From these conferences has come a better understanding of the fundamentals of credit. I smile when I read our first programs, and compare them to our recent ones. There is the same difference that there is between first and fourth grade readers.

There has resulted an infinitely better flow of credit information.

(Continued on page 14)

Credit Leaders of the Northwest



RALPH W. WATSON
National President

THOS. McCORMICK
President Pacific Northwest Retail Credit Men's Association

HARLEY J. BOYLE
President Retail Credit Men of Spokane

Instant Communication the Credit World



When the user of a telephone system is a person removed from the receiver by the hook she is in direct communication with the credit office.

A few of the stores equipped with National Charge Phone Systems in 1925

Hudson's Bay Co.	Edmonton, Alta.	Metals Bank and Trust Co.	Butte, Mont.
Westberg and Childs, Inc.	Seattle, Wash.	The Cohen Co.	Richmond, Va.
The Whitehouse Co.	Spokane	Brentano's, Inc.	New York, N. Y.
F. & R. Lazarus Co.	Columbus, Ohio	French-American Bank	San Francisco, Calif.
Harzfeld's.	Kansas City, Mo.	Sanger Brothers.	Ft. Worth, Tex.
R. J. O'Dwyer.	Texarkana, Ark.	The Fashion Co.	Columbus, Ohio
R. E. Kennington Co.	Jackson, Miss.	The C. H. Yeager Co.	Akron, Ohio
J. L. Hudson Co.	Detroit, Mich.	Monnig Dry Goods Co.	Ft. Worth
Diamond Brothers.	Kansas City, Mo.	Boston Store Dry Goods Co.	Ft. Smith, Ark.
Benj. Rosenberg Co.	Milwaukee, Wis.	J. Blach and Sons.	Birmingham, Ala.
Geo. B. Peck D. G. Co.	Kansas City, Mo.	Thalhimer Bros., Inc.	Richmond, Va.
Maison Blanche Co., Ltd.	New Orleans	Crowley, Milner & Co.	Detroit, Mich.
The Killian Co.	Cedar Rapids, Iowa	Radin and Kamp, Inc.	Fresno, Calif.
Traugott Brothers.	Indianapolis, Ind.	The Wallace Co.	Schenectady, N. Y.
Owen's, Inc.	Rockford, Ill.	McCarthy D. G. Co.	Woonsocket, R. I.
Havenrich Bros. Co.	Saginaw, Mich.	S. Kann Sons and Co.	Washington, D. C.
L. S. Ayres & Co.	Indianapolis	B. Nugent and Bros. D. G. Co.	St. Louis, Mo.
The Denecke Co.	Cedar Rapids, Iowa	McMahon-Diehl Co.	Huntington, W. Va.
H. S. Gebhart Co.	Decatur, Ill.	J. A. Rudy and Sons.	Paducah, Ky.
		Rorabaugh Stores Co.	Salina, Kans.

THE NATIONAL CASRE

Communication with Credit Office

—Another advantage of the National O. K. Credit System

A SLOW and cumbersome charge authorizing system affects business in a number of different ways. Inadequate control of charges from the credit office and fear of losses often unconsciously curtail the opening of new accounts. This lack of control results from authorizing desks being placed in out-of-the-way places making refers to the credit ledger slow and difficult.

The same condition means slow and inconvenient service for customers. As a result they avoid using their charge account whenever possible or else ask to have it "charged and sent," the most costly way for the store to handle the transaction.

These difficulties can be eliminated with the National Charge Phone System which gives instant communication with the credit office.

Advantages of this system

- ① With the charge telephone system the check does not have to be sent to the office to be stamped O. K.
- ② Nothing to handle means nothing to get mislaid, held up or handled in the wrong way.
- ③ Slips do not get out of sight and out of mind of the clerk who might neglect customer.
- ④ The system is devoted exclusively to the handling of charge transactions.
- ⑤ Each call is attended to individually and completed in turn.
- ⑥ Does not mix up one transaction with a half-dozen other previous transactions.
- ⑦ Charge methods not compromised in order to handle various other transactions.
- ⑧ Not necessary to place authorizers in basement or some out-of-the-way place.
- ⑨ Refers are immediate and do not require a lot of handling.
- ⑩ No charge checks delayed at relay stations.
- ⑪ The selective feature enables all purchases to be passed on by the same authorizer and prevents overbuying.
- ⑫ Every authorization is backed up by index, ledger and credit manager. (Any of the three can be readily consulted.)

The President's Message

(Continued from page 11)

We in the Pacific Northwest are building a credit structure, with both local and regional credit policies. The farther we go the easier, the more rapid, the progress.

Perhaps I should apologize for using my home town and region as an example. I do so only because here I know whereof I speak. We Westerners are no different manner of men than you of the East, the North or the South. In fact most of us came from your country some time or other. What we have done has been matched in other sections. Each year new conferences are held, and become annual affairs. I anticipate the day when any credit man, anywhere in America, may have the annual opportunity to attend such a conference, conveniently and economically.

To me, none of these conferences have developed nearly to their ultimate. Almost until now an experiment even in the districts that have held them a half dozen years or more, they have been sparsely financed, with an actual organization of the loosest possible character. I see the day when they will develop into strong organizations each with a paid staff. They will then soon have adequate reporting service in every community. They will cut out fraudulent buying and bad check artists almost entirely by quick exchange of information. By building a community credit policy both regional and local, they will minimize competition in credit, and educate the buying public.

Nor will this development be at the expense of our National. On the contrary we can even now look over our maps and see that our greatest centers of National membership are those that hold yearly conferences. It is inevitable that as when the local functions, it needs the Regional—so as the Regional functions, it needs the National. The Regional organization has its place—a big place—but it can never do the National's work. It can only help.

Moreover, the time is near when our National must in a measure change its character. We have done well—very well—but did we now have 50,000 members our present plan of National organization would be too cumbersome to function. Gradually we shall develop the wheel within a wheel and we shall accomplish more than we now dream of.

This is a year of accomplishment. Let us not slacken! In half of it we have increased our Service Division membership from 471 to 610, a gain of 30%. 610 cities now enjoy the opportunity for quick reliable credit informa-

tion at a standard price. But 500 more cities remain without, and most of them are small. The end of our Association year should reduce this latter number to 300. We have gained much at the very foundation of our credit structure.

City after city shows very definite gain in the development of a community credit policy, as proven by the several cities that have come into the National 100% and have even required National membership from every bureau subscriber. Many cities in different parts of the country have come into the "ten members or more class."

More conferences are held this year than last, each awakening new communities to the benefits of cooperative credit organization—each building local and regional credit policies—each bringing to the merchant a broader outlook and professionalizing the credit man.

It is a year of accomplishment! But we must keep our objective in view. Our vision must be broad and clear. In our mind's eye we must see a structure. If we but look about us we shall see the material for its building, and we must daily work on it, for it needs to be built. From it shall flow prosperity for our merchants—thrift, accumulation and convenience for our buying public.

—R. W. Watson.

Relation of Credit Department to Sales

(Continued from page 6)

and shoes and furniture, coal and chewing gum per capita population as we did before the enormous amount of money was being spent for automobiles. I think the answer is that the people are making more money and the larger part of their increased earnings are being spent on automobiles and the automobile upkeep.

There is no reason why merchandise that is a necessity should be sold on term payments, because merchandise that is a permanent improvement or a luxury is sold that way.

It doesn't make any difference whether the average man divides his earnings into two or three divisions and spends according to the division he has made, part for luxury, part for capital outlay, and part for necessities, but the fact remains that people unconsciously spend about the same ratio for necessities in accordance with their sphere of life and the number of individuals they are supporting.

Don't all jump up at once and tell me that because men spend more on automobiles and radios they have less to spend on clothing, shoes and food.

That may be true and it may not be true, but if you look at it from another viewpoint, that they spend what they are used to spending on clothing, shoes and food and spend their surpluses on automobiles, etc., I think in a great many cases you would be more nearly correct.

The elevation of an individual's sphere of life in this great country of ours depends not so much on his wearing better clothing or shoes or eating better food, and not even so much on his owning a better house, as on the automobile he may buy for his family or the better type one he will buy for them to enjoy a bit of luxury.

If the merchants dealing in necessities ever maintained a successful used market for their repossessed articles, as is maintained for the articles of permanent improvement or luxury, there may be a better break and less losses for the merchants selling these necessities, but the fundamentals should remain the same, and, while I am far from being a student in economics, I believe that this division is more clear than any I have seen for some time.

In conclusion, I can safely say it is one of the outstanding thoughts in the minds of all the retail dealers in the country to such an extent that I have noticed one of the large retail cash stores in the country advertising its institution as a cash house, advising the public to pay as they earn and buy as they go along with their earnings.

Evidence of the increase in spot cash business can more definitely be given when you look over the figures for last December. The average increase of the department stores doing a credit business and a cash business, was 7.2%. The average increase of mail order houses, cash in advance, was 15.1% and the increase of five and ten cent stores was 16.2%, all of these figures being increase per cent of net sales.

Looking Forward

*Don't be what you ain't;
Jes' be what you is;
Case if you is not what you am
Den you am not what you is,
If you is jes' a little tadpole
Don't try to be a frog;
If you is jes' de tail
Don't try to wag de dog.
You can always pass de plate
If you can't exhort an' preach;
If you is jes' a pebble
Don't try to be de beach.
Don't be what you ain't,
Jes, be what you is,
Case de man that plays it square
Am g'wine to get his.
It ain't what you is has been
It's what you now am is.*

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Washington, Capital of Credit

By Louis Sinclair Grigsby

Assistant Secretary Associated Retail Credit Men of Washington, D. C.

About five years ago, a group of representative credit men met for luncheon in a local hotel, as was their custom. Meetings of this character were held primarily for the purpose of sociability and secondarily for the discussion of the credit situation, as is the habit of credit men throughout the country when one meets another.

These men were veterans in the calling. They had seen the Nation's Capital grow in a few short years, thru stress of war-time activity from a quiet, dignified city to a metropolitan center. The influx of war workers and hangers-on had been great, the city was crowded with people from all parts of the country.

As a section of the Merchants and Manufacturers Association, a credit clearing house had functioned for some years past. But these men of far-sighted wisdom looked to the future. They visualized the city of Washington as it is today.

As a result of this meeting, plans were drawn for the organization of a merchant-owned and operated credit bureau, to operate independently. Thus, the Mercantile Credit Association, Inc. came into existence on Octo-

ber 13, 1920, and Mark Lansburgh, Lansburgh & Brothers, became President and Stephen H. Talkes Secretary of the embryo organization. Two rooms were secured on the third floor of the Bank of Commerce and Savings Building, Seventh & E Streets, Northwest, and the bureau opened for business. With the assistance of four employees, Mr. Talkes established a system of operation, that has stood the test of time.

Gradually, the membership increased and the demand for reports came from various lines of trade, other than strictly retail. The Secretary, through his energy and confidence in the future of such an organization, sought larger quarters and purchased modern equipment.

After several years, the Mercantile Credit Association consolidated with the Associated Retail Credit Men of Washington and pressure of business forced larger quarters and increased personnel.

And now after five years what establishment do we find in the "Hub of the Universe" to handle, in an efficient manner, inquiries from all parts of the world? The Credit Bureau of the

Associated Retail Credit Men, Inc., occupying the entire fourth floor of the Bank of Commerce and Savings Building, one of the larger financial institutions of the city. It has also, a suite of two rooms on the third floor devoted to the Collection Department exclusively, and is demanding more space to accommodate the increasing volume of business. Five thousand feet of floor space devoted to credit and collection service! A half million ratings on file or a record totalling approximately the entire population of the District of Columbia!

From three telephones handling several hundred inquiries a month to fifty-six instruments that carried over sixteen thousand outgoing calls last month, exclusive of the calls on fifteen private lines; from five employees to a personnel of forty-five; from the charter members, numbering about twenty, to a membership of three hundred and twenty-five, representing approximately sixty lines of commercial or professional activity—that's the record of growth.

Certainly, a record that demonstrates the forethought and faith in the profession of credit granting that inspired

(Continued on next Page)



A View of Our File Department

this group of men. Under the guidance and assistance of men sold on their jobs, determined to place Washington on the map as a credit center, the Bureau has prospered and enlarged.

From the first President of the Associated Retail Credit Men, Inc., Charles M. Keefer, of S. Kann Sons Company, through the succeeding executives—E. W. Whitehead, Potomac Electric Power Company; Harry V. Ostermayer, Woodward and Lothrop; Herbert J. Rich, B. Rich's Sons; A. Coonin, Wm. Hahn & Company, to the new presiding officer, David Sanger, Philipsborn's—every man has devoted untiring effort to the growth and prosperity of the organization. And during these years of progress, due credit must go to Elsie M. Lee of F. R. Jelleff, Inc., our former Treasurer and member of the Board of Directors for several years—the only feminine member of the Board, but a 100% representative of the sex.

The present officers are David Sanger, Philipsborn's, President; John W. Talcottire, The Hecht Company, Vice-President; Stephen H. Talkes, Secretary-Treasurer; Louis S. Grigsby, Assistant Secretary. The members of the Board of Directors are Harry V. Ostermayer, Woodward and Lothrop; Herbert J. Rich, B. Rich's Sons; Mark Lansburgh, Lansburgh and Brothers; Charles M. Keefer, S. Kann Sons Company; Leo Baum, Goldenberg's; A. Coonin, Wm. Hahn and Company; Elsie M. Lee, Frank R. Jelleff, Inc.,

and the President, Vice-President and Secretary-Treasurer. George Curtis Shinn is General Counsel and Frank R. Long, Collection Attorney.

With men of this calibre handling the affairs of the Association, we look forward to a one hundred per cent enlargement of the Bureau during the next five years.

And it must be stated that the assistance rendered and counsel given by David J. Woodlock of the National Association, and J. R. Truesdale of the Service Division, played an essential part in this phenomenal growth.

But the basic co-operation of each and every member of the Association, combined with a personnel, keen and efficient, under the splendid direction of Secretary Talkes, form the corner stone of our success.

Installment Credit Grantors Organize

In Detroit on February 3, there was organized the American Association of Credit Merchants, composed of installment Credit Grantors in various lines, and the members of the Retail Credit Men's National Association are rejoicing over the fact that Mr. E. B. Heller, First Vice President of their Association was elected to the Board of Directors of the new organization.

It has for its objects the bringing together of installment merchants with a view to standardizing methods and improving systems so as to help each individual member. One of the most important features to be considered in this connection is the development of safe and sane credits and we know that Mr. Heller will be able to assist the organization materially along these lines.

Denver Honors Woodlock

Managing Director Woodlock of the Retail Credit Men's National Association was the guest at an elaborate luncheon given by the Directors of the Retail Credit Men's Association of Denver on January 23. Local and national credit affairs were discussed, considerable time being given to installment selling and collection turnover. Denver has one of the best local Retail Credit Associations, and its rating bureau, un-

der the management of C. M. Reed, is highly efficient.

The Local Association at Denver is making preparations to greet all delegates going to the National Convention at Los Angeles. There is so much to see in and around Denver, all delegates should stop off. They are assured of a hearty welcome from the Denver credit men.



New York Association Has Study of Retail Credit Practice

A course in Retail Credit Practice is being given by the New York University in cooperation with the Associated Retail Credit Men of New York, Inc. Mr. E. T. Thompson, Credit Mgr. A. I. Namm & Son, Brooklyn, is chairman of the committee in charge of the work.

The first lecture will be on February 3rd and will be followed by fourteen others and then by an examination, making a series of sixteen Wednesday evenings, and the University will issue a certificate for all those who successfully pass the examination. The COMMITTEE ON RETAIL CREDIT EDUCATION has worked diligently on this subject for several months and are very much gratified by the response and by the prospects of having a very successful course. Dr. Briscoe of the University has worked hard with them and has stressed the importance not only of giving the details of the subject but of covering it in a way which will make it easily comprehended by the ordinary student.

The method will not be to go from the general outline of the theory, but to take actual cases themselves in turn from the experience of the ordinary retail credit grantor and from them to show the theory itself and the general principle involved. In other words, not to proceed from the theory to the actual practice, but to start with the practice and from it deduce the general reasons which should govern in similar cases. The lecturers will therefore outline their points and elaborate on them, driving home those which seem to be more important. Each student will have a general outline of each lecture so that he may know on what general headings to expect the information, and also to have an outline against which to make notes and to review his education when at home. The lecturers themselves must first outline their points and the Retail Credit Education Committee will go over them carefully, adding or deducting, emphasizing or suggesting according to the needs of the specific case. The credit men themselves expect a great return from this; it should improve considerably the personnel in their departments. The university is charging a fee of \$17.00 (seventeen dollars) for each student, which works out at a little more than one dollar per lecture, and some of the New York City stores are agreeing to refund to the student one half of this fee provided that the course is completed; in other words, the student advances the full amount and if he perseveres and is successful, the store will refund one half of his investment.

The Importance of a Definite Credit Policy

*By M. G. Riley, Secretary
Associated Retail Credit Men of Kansas City*

When we gave up the habit of biting silver coins to see if they were genuine; we then entered upon the credit era.

We had a definite Cash Policy when we were making certain that the money taken in was good.

There is just as much reason—Yes—a great deal more today—to exercise care and caution in putting credit on our books than there ever was to test the ring of metallic coins.

It is not alone the fact that bad credit losses are responsible for one-fifth of the business failures that causes us to state that a definite credit policy is a necessity in conducting a successful credit business.

The slow unsatisfactory accounts on our books—not considered as yet a loss—or at least not as yet charged off—are the biggest items today in convincing students of modern retail business that we must all decide upon a Definite Credit Policy.

By way of illustrating the remarkable growth of credit business in the retail field, we have but to take the records of my own business for the year just past—1925. During 1925 our Credit Bureau made 74,629 complete investigations and reports on as many individuals who were seeking credit in some form or other. Greater Kansas City claims a population of one-half million persons, or 133,000 families. Then our figures will show that we were called upon to investigate 17 out of every 100 persons and 52 out of every 100 families.

A definite credit policy calls for your affiliation with the Retail Credit Men's National Association through your local Association and Credit Bureau.

No one is entitled to credit while he is owing other merchants past-due accounts. And some have all the credit they can pay for promptly—just at present. Overloading—overselling and allowing accounts to run long past due is destructive to both merchant and public alike.

The man who wins money at the races is the one who places his bets on past performances and heredity rather than on tips.

Likewise the merchant who grants credit on personal impression alone is a poor gambler. He needs the past performances and records to help him.

Statistics gathered from business trade journals and industrial banking institutions reveals the somewhat alarming fact that one out of every three families in the wage-earning class have their normal income for the next fifteen months already allotted or mortgaged.

Therefore—today we are not alone concerned with avoiding only the "Deadbeat"—as we are with undertaking to discourage the spirit to overload on credit or to overbuy or overestimate ability to pay.

All lines of retail credit granting businesses must unite and pool their exact ledger experiences and undertake to educate their public to live within their means and pay their bills promptly.

There is no cause for alarm over the constantly increasing volume of credit as I see it, although some seem inclined to be panicky and declare the world has gone credit crazy and that we must revert to cash basis if all is to be well.

We might as well say that all we have to do to keep the doctor away is keep from being sick.

No—we will have credit and we will have doctors—But the doctors of credit must be the merchants themselves. They must write the prescriptions and see that their patients—the public—take it and keep in good health and condition.

The only real cause for alarm in credit circles comes from the fact that too many persons in business do not have a definite credit policy. It is still too easy—for the so-inclined—to run up bills—and skip out—Just now to Florida—and to tell you to go to a much hotter place.

Those who are co-operating are receiving the dividends; but the dividends would be much larger for all if every credit grantor would join and participate in the task of teaching the public that "Prompt Pay Promotes Credit."

The 4-Point System Collects!

Read the Record of Results on Opposite Page

Here are the three letters and the forwarding blank comprising the 4-Point Collection System. Durably bound in a loose leaf binder—ready to use.

Note perforated stub at right, to be filled in, torn off, and retained in your files for your record.

No. 1

Fill in this stub, tear it out, and file it to date due or 10 days after this letter is mailed
COLLECTION RECORD
(Letter No. 1)

Name	Mr. John Doe
Address	5010 No Name Ave.
Amount	\$44.62
Letter No. 1 sent	April 30, 1968
Letter No. 1 rec'd	May 10, 1968

Service Division
Retail Credit Men's National Association

Local Organization and
members in all parts of U.S.A.
Executive Office
Retail Levels

Collection Department

Notice, at right how letters are arranged so you can fill in debtors' name and address, date, amount and your own name and address.

You are indebted to the member of this Association whose name is shown above, for the amount indicated. This account is past due, in fact, over four months.

You were extended a high compliment by our member when he indicated his faith in your integrity by accepting your account. For credit is nothing but faith in the man who is to receive it on the understanding that he will pay his bills when they're due.

Now, as is customary, this member has reported your account to this office, with the information that he has not been able to assure collection.

Before taking any action on this account, we want to give you an opportunity to keep your credit record clear by paying this bill within ten (10) days. If it is not paid within this time, we will proceed to process with collection, according to our member's instructions.

Won't you kindly arrange to take care of this account immediately and show that you appreciate the courtesy extended you?

Yours truly,
RETAIL CREDIT MEN'S NATIONAL ASSN.

S.J. Woodcock
Executive Secretary.

P. S. Make all payments and address all communications to the member whose name is shown above.

Organized for the Protection of Retail Merchants

Collection

Mr. John Doe
5010 No Name Avenue
Nameless City, N. M.

Your failure to respond favorably to our previous communications indicates that you are indifferent to your obligations to pay the above account.

You are hereby given our LAST and FINAL NOTICE that unless this account is paid or satisfactorily adjusted on or before May 30, 1968, our attorney will take action to recover judgment with lawful interest, together with all costs and disbursements of the action.

Yours truly,

RETAIL CREDIT MEN'S NATIONAL ASSN.
S.J. Woodcock
Executive Secretary.

P. S. Make all payments and address all communications to the member whose name is shown above.

Organized for the Protection of Retail Merchants

No. 2

Fill in this stub, tear it out, and file it to date due or 10 days after this letter is mailed
COLLECTION RECORD
(Letter No. 2)

Name	Mr. John Doe
Address	5010 No Name Ave.
Amount	\$44.62
Letter No. 2 sent	April 30, 1968
Letter No. 2 rec'd	May 10, 1968

Service Division
Retail Credit Men's National Association

Local Organization and
members in all parts of U.S.A.
Executive Office
Retail Levels

Collection Department

May 10, 1968
Referring to account of:
Smith, Brown & Co.
1468 Blank Avenue
Nameless City, N. M.
Amount: \$44.62

Your attention is again directed to the above account. You have had merchandise, service, consideration and leniency from our member, and yet you have not responded to his request, nor to ours, for a settlement of this account.

We are a National Association, organized for the protection of retail credit men. Its purpose is to give our members full protection against credit losses—protection backed by law and the power and prestige of our entire membership.

At the same time it is our desire to protect you, too, against the credit men who follow a "poor-pay" record.

It is important that you make prompt payment of all debts due us. It is high all merchants judge

the credit men who follow a "poor-pay" record.

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Three Letters Collected 61 Out of 100 Old Accounts

Read this letter



PUEBLO, COLO.

January 6, 1926

Retail Credit Men's National Ass'n.
Equitable Building
St. Louis, Missouri

Gentlemen:

It may be of interest to you to know the results we obtained from your collection service which we purchased from you in February, 1925 and has been used entirely according to your instructions. The chart below gives the results obtained:

Letter No.	No. of Accounts	All Paid	Pt. Paid	Not Pd.
1	100	35	13	52
2	65	14	3	48
3	36	12	2	22

These letters were used on accounts ranging in amounts from \$2.00 to \$300.00 and from four to ten months past due.

Enclosed you will please find our order for another book which we would like to have you forward at an early date.

Yours truly,

THE CREWS-BEGGS D G CO.

By C Jensen
Credit Manager

CJ/P

And Got Partial Payments On 18 More

Here's positive proof of the collecting power of the 4-Point Collection System!

Used on 100 accounts, the three letters shown on the next page got payment in full on 61 accounts and partial payments on 18 accounts. (See letter at left.)

Total Cost Only \$10.00

Results, on 79 out of 100 accounts, ranging in amounts from \$2.00 to \$300.00, and from four to ten months past due—at a total cost of \$10.00!

Try this system on your old accounts. Backed by the power of this nation-wide Association, it gets results—as no other system can.

Try the 4-Point System At Our Risk

Buy it. Use it—according to instructions—on 100 old accounts. If it doesn't collect at least \$10.00 for you, we'll refund the purchase price!

Retail Credit Men's National Association

Equitable Bldg.

St. Louis

What It Contains

- One hundred No. 1 Letters informing the debtor that his account has been reported to the National Association as unpaid and suggesting that he pay you—**WITHIN TEN DAYS**. All the letters are arranged so you can fill in your own name and address and a postscript instructs the debtor to make all payments **DIRECT TO YOU**.
- Seventy-five No. 2 Letters. This letter demands immediate action from your debtor.
- Fifty No. 3 Letters. No. 3 is a definite final notice that unless your account is paid in ten days, our attorneys will take action to collect your account.
- Fifty Collection Forwarding Blanks. On these blanks you are to send to us (OR TO YOUR LOCAL BUREAU IF YOU PREFER) detailed information on such accounts as the letters fail to collect. These we immediately forward to our bureau in your locality (if we have one) or to our nearest bonded attorney who will make collection on the usual collection fee basis.

Other Material

A complete instruction sheet is included with every system. Also, a valuable appendix, chock-full of important information, "Things the Credit Man Should Know." A complete digest of the laws of the various states, covering bankruptcy, garnishments, mortgages, judgments, exemptions, etc.

A convenient, easily accessible display of all forms commonly used in credit and collection procedure—including standard application blanks, lease or conditional sale contracts, chattel mortgages, bankruptcy "proof of debt" forms, etc.

Use this coupon

Retail Credit Men's National Ass'n
Equitable Building, St. Louis, Mo.

Enter my order for one complete R. C. M. N. A. 4-Point Collection System. Send bill for \$10.00 to the address below.

I agree to use the system according to instruction—on 100 accounts. If it fails to collect at least \$10.00 you are to refund purchase price.

Name _____

Title _____

Firm Name _____

Street Address _____

City _____ State _____

"Sponging" Information

(Continued from page 8)

Your references are very fine,
Your story listens well,
But we go by antecedents here
So you must go to Hell.

Then there is the element of mis-information in the direct inquiry. The merchant or credit man who sponges his information is not entitled to much, we'll all admit that, but of two evils, sponging information or boosting the game of the "slow-pay and deadbeat," I'm inclined to think that boosting the "slow-pay and deadbeat," is the worse offense. Last summer I was in a store when an excellent example of this mis-information element came to my attention. The owner of the store was showing me some merchandise when the phone rang, and this was his end of the conversation.—"Yes, this is George,"—"What?" "Yes, I know Jim Smith"—"Yes, he's traded here"—"How's his credit?" "Why, all right with me"—"Yes, sure,—glad to help you out." He came back to the counter with a broad grin on his face and chuckling as at a huge joke, and remarked—"I sure steered Henry into a good one that time. Jim Smith owes me over a hundred dollars for over a year now and I never expect to get it. Jim's one of our prime deadbeats. Now Henry will get stuck too; when I get stuck I like to see some one else lose, too."

I didn't stop to tell that merchant what a dirty sort of a skunk I thought he really was, but I certainly didn't spend any money with him. You get the idea.—You inquire direct and some one is apt to give you a lot of mis-information just from a perverted sense of seeing you lose too. You get little enough information; you get wrong information; you stand a chance for a damage suit; you boost the game of the slow-pay and deadbeat; you undermine the work of your Credit Bureau whenever you make a direct inquiry or answer one.

Now to my mind, a large part of the trouble is whether or not you are sold on the Credit Bureau. If you don't believe that the merchants have a right to form an organization for their protection in the matter of granting credit; if you apologize to your customers for being a member of the Credit Bureau, then for Goodness, Agnes' sake—GET OUT, you are a drug on the market and the bureau is better off without you. Don't be a fence straddler in the matter of credits. You either have to run your own business or it will soon be running you; and if it gets you on the run you're

pretty apt to get run over. I've heard merchants stand up in a credit meeting and appear hard-boiled, cuss and tell how "we merchants" ought to cut out these slow pays, etc. etc., and the very next day knuckle down to some belligerent "slow-pay" by agreeing with him—"That that that Credit Association is sure a ruinin' business, and ain't got no business a meddlin' in our affairs." That kind of Bureau members do more harm than good. They are liabilities to the community. Most of us hate a hypocrite, but we respect a man who says and lives by what he believes.

If you believe in the credit bureau, you will naturally do all you can to promote its efficiency. Answering or making direct inquiries is certainly one of the worst things you can do for your bureau.

When you make a direct inquiry the information obtained is not made a part of the Bureau records. The usefulness of the Credit Bureau is in the information its records contain. If every member made direct inquiries, there would be little information in the records, mis-information would be rife, and the path of the slow-pay and deadbeat and the short-checker would certainly be made rosy. Whether to place the blame on the "sponge" who asks for the information or on the member who gives the information is a problem. I'm not exactly sure in my own mind whether the man who makes poison moonshine or his customer is the worst violator of the prohibition law. It is a sort of an endless chain—if the bootlegger didn't make it the drinker wouldn't drink it, and too, if the drinker wouldn't drink it, the maker wouldn't make it. The same applies to the bootlegging of credit information, and the evil results go about as far in the credit world as it does the moonshine in the community.

While I don't personally agree with the underlying element in the following story, it is clever just the same and talking of prohibition I think I'll pass the story along.

Two Jews met on the street corner—
Said Ikey, "Abie, I've got some bad news."

Ikey—"Is somebody dead yet?"

Ikey—"Nu, its worse than that, Abie, I've a letter from my Aunt—listen—she says here that's she has been sick and had a breakdown of her constitution. She says I'm to send her a specialist to fix up her constitution, Abie. She says too that I'm to get her the best special-

ist, one that can fix up her constitution better than ever, she says she wants a constitution stronger than a gorilla."

Abie—"Did you say stronger than a gorilla?"

Ikey—"That's what she says, Abie, 'stronger than a gorilla.'"

Abie—"Vell, why don't you get this feller Volstead?"

Ikey—"Volstead, why I never heard he was a specialist."

Abie—"Vell, I'm tellin' you, he's the only guy vot I ever heard of that made a monkey out of a constitution."

There is another phase of the work of the Credit Bureau to which I want to call your attention. That is its influence on the buying public.

We maintain police officers, jails and penitentiaries. We may think that there is a tremendous lot of crime as it is, but think of the riot of crime that there would be if there was not the fear of the law to hold people in check.

Churches are maintained in every community and even the most pronounced non-churchgoer will admit that the effect of the church on the lives and habits of the people is for the betterment of business ethics.

Take out your churches and business men would flee the town as though the plague were after them. Take away the fear of the law and business would shut its doors.

The Credit Bureau in the community exerts a wonderful influence on the public akin to the influence of the Church and the Law. It makes for better citizens. It stands for the right principles of doing business. It helps weed out the parasite—the slow-pay—the deadbeat and the business crook. Merchants are realizing more and more that it does not pay to do business in a community lacking an efficient Credit Bureau to act as the balance wheel of business.

Realizing these facts, then, support your Bureau from the ground up. Help make the "sponges" of your community into honest, loyal, Credit Bureau members, for as your Credit Bureau grows and prospers, so will every business in the community grow and prosper. Learn that it's a mighty fine thing to think and a better thing to do, work with the construction gang, not with the wrecking crew.

Good Publicity

The Mesa County Credit Association of Grand Junction, Colorado, are keeping their name constantly before the public by placing one hundred metal signs on telegraph poles along the most traveled roads throughout the country. Made of black iron with yellow lettering within a red circle, they catch the eye.

Three Regional Conferences Scheduled For This Month

See Programs Below

Tri-State Convention of Retail Credit Men, Detroit, Mich. Hotel Statler, February 8-9, 1926

Monday, February 8

10:00 A.M. "Invocation."

10:10 A.M. Convention officially convened—E. B. Schick, General Chairman, (Credit Manager, Crowley Milner Co.).

10:20 A.M. Welcome From Associated Retail Credit Men of Detroit—R. V. Chaffee, President—(Credit Manager, Ernest Kern Co.).

10:30 A.M. Welcome from Business Interests of Detroit—Harvey Campbell, Vice-President-Secretary, Board of Commerce.

10:50 A.M. Reply to Welcomes—Ralph W. Watson, President R. C. M. N. A.

11:20 A.M. "Value of Retail Credit as Viewed by the Retail Merchant"—J. G. Pattee, General Sales Director, Newcomb-Endicott Co.

11:50 A.M. Announcements.

12:00 Adjournment for lunch.

* * *

1:30 P.M. Announcements of Chairmen of Committees.

1:40 P.M. Group Singing.

1:50 P.M. "The Efficient Credit Manager," D. J. Woodlock, Secretary, R. C. M. N. A.

2:20 P.M. "Charge Sales Development," D. W. Ahl, Past President, R. C. M. N. A. (Credit Manager, Frank & Seder Co.)

2:50 P.M. Open Forum on Charge Sales Development, Conducted by D. J. Woodlock.

3:20 P.M. Demonstration and Practical Analysis of Taking Applications for Charge Accounts—Wm. Judson Kirby & Assistant, Character Analyst.

4:20 P.M. General discussion on subjects submitted by delegates.

5:20 P.M. Group Singing.

5:30 P.M. Adjournment.

* * *

Tuesday, February 9

9:00 A.M. "Invocation."

9:10 A.M. Announcements.

9:20 A.M. Group Singing.

9:30 A.M. *Greetings From the Wholesalers and Manufacturers Credit Association*—O. A. Montgomery, Secretary.

9:50 A.M. "National Extension of Bureau Service," J. R. Truesdale, Secretary, Credit Service Exchange Division, R. C. M. N. A.

10:20 A.M. "Value of Deferred Payments," W. Slater, Credit Manager, Sterling & Welch Company, Cleveland.

10:50 A.M. *Open Forum on Deferred Payment Accounts*.

11:20 A.M. "Credit Service and What It Means," Howard G. Godfrey, Credit Manager, J. L. Hudson Company.

11:50 A.M. Personally conducted tours of some of Detroit's largest Credit Departments, and the Merchants Credit Bureau.

* * *

1:45 P.M. Announcements.

1:55 P.M. "Organization and Co-operation," E. B. Heller, President, Heller & Livingstone Clothing Co., St. Louis, Mo.

2:30 P.M. "General Business Forecast," (Babson's, Inc.)

3:00 P.M. "Behind the Scenes," James G. Capps, Manager Legal Dept., LaSalle & Koch Co., Toledo.

3:30 P.M. Open Forum and discussions on questions submitted by delegates.

4:30 P.M. Adjournment.

Program of New York State Conference

Rochester, N. Y., February 12, 1926, Powers Hotel

Quizz Master—Justin H. Edgerton
Topics and Speakers

Installment Selling and Its Development, by Walter Marx, Credit Manager of Markson Bros. Co., Auburn, N. Y.

Discontinuance of the Itemized Statement, Open.

What is a Profitable Account? by George L. Edmonds, Credit Manager of The Wallace Company, Schenectady, N. Y.

The Value of State Conferences, by John M. Connelly, Secretary of Asso-

ciated Retail Credit Men of N. Y.
Death and Credit Risks, by Hon. Joseph M. Feeley, of Surrogate, Monroe County.

Luncheon

The Solicitation of New Accounts and Revival of Inactive Accounts, by F. Churchill Crouch, Credit Manager of John A. Roberts Co., Utica, N. Y.

Some Problems of a Bureau Manager of a Small City and How They May be Overcome, by Charles O. Eacker, Manager of Elmira Credit Rating Bureau, Elmira, N. Y.

Improving Credit Standards, by Douglas Drummond, Secretary of Dey Bros. Co., Syracuse, N. Y.

Collection Method, by Jack Porter, Credit Manager of Duffy Powers Co., Rochester, N. Y.

Credit as a Profession, by Justin H. Edgerton, Credit Manager of James McCreary & Co., New York City.

Open Topic by LeRoy Pease, Secretary of Ovington Bros. Co., New York City, Past National President of R. C. M. N. A.

Extemporaneous Talks, by Ralph W. Watson, President R. C. M. N. A., Spokane, Wash., and David J. Woodlock, Secretary R. C. M. N. A., St. Louis, Mo.

Lake Superior District Credit Men's Conference

Hotel Duluth, Duluth, Minn., Friday, February 12, 1926

10:00 A.M. Registration on Mezzanine.

10:15 A.M. Opening Session, Ball-Room.

12:15 P.M. Luncheon at which all registered will be guests of Duluth Association.

1:30 P.M. General Sessions, Ball Room.

3:00 P.M. Group or Departmental Sessions.

Question Boxes at which the following will preside:

Banks and Trust Companies
J. H. Ingwerson, Vice Pres., First National Bank, Duluth.

Dry Goods and Women's Wear
F. W. Funk, of Atkinson Co., Minneapolis.

Hardware

B. F. Collins, of Warner Hardware, Minneapolis.

Coal Dealers

Chas. Kempton, Pittsburgh Coal Co.,
Duluth.

Clothing and Shoes

P. H. Carr, Standard Clothing, Min-
neapolis.

Groceries

F. L. Berkheiser, Pres., M. M. Gasser
Co., Duluth.

Credit Bureaus

George Fairly, Duluth Credit Associa-
tion.

5:00 P.M. Recess.

6:30 " Banquet, Ball-Room.

7:30 " Songfest.

8:00 " General Sessions.

Vital Topics of general interest dis-
cussed by men who have made
records for doing things well.

9:00 P.M. "Invitations from other
cities for the next Conference."

The Programme will include talks and
quizzes on:

Installment Selling	What is a Profitable Account?
Opening New Ac- counts	Insurance Against Bad Checks
Reviving Inactive Accounts	Simplified Billing
Following Up on Collections	Returned Goods
Building Good Will	Evil The Bankruptcy Evil

The Merchandising Outlook for
1926 and any other topics to be selected
or problems you wish to bring up.

**Property Owned By Man and
Wife Cannot Be Taken for
the Debt of Either**

We quote below an opinion recently
rendered by the Bankers Association's
attorneys. This opinion was prompted
by an inquiry received from a member
bank, which was substantially as fol-
lows:

A man went into bankruptcy. He
and his wife, jointly, own a large farm.
Can this farm be taken for the debts of
the bankrupt?

"Whenever real property is con-
veyed to a man and his wife jointly,
a tenancy by the entirety arises.
Both own the entire property and
neither husband nor wife can dis-
pose of any part without the assent of
the other, and at the death of
either, the survivor takes, all.

"Land, therefore, held by the
husband and wife by the entirety
can not be sold for either the hus-
band's debts or the debts of the
wife. Our Supreme Court held in
the case of *Brewing vs. Saxy*, 273
Mo. page 159, that the husband,
during their joint lives, has no in-
terest in land held by him and his
wife as tenants by the entirety that
can be sold for his sole debts.
Since the land can not be sold to
satisfy the debts of the husband, the

(Continued on page 24)

The St. Louis Convention Special

On August 4th, at 11:30 A.M., a
special train will leave St. Louis Union
Station bound for the convention of
the Retail Credit Men's National As-
sociation to be held in Los Angeles for
four days commencing Tuesday, August
10, 1926. The outgoing itinerary is as
follows:

Leave St. Louis by Rock Island
11:30 A.M., August 4th.

Arrive Kansas City 7:30 P.M., August
4th.

Leave Kansas City Santa Fe Lines,
8:40 P.M., August 4th.

Arrive Colorado Springs 1:20 P.M.,
August 5th.

At this point automobiles will be
waiting at the station to make the trip
up Pike's Peak, one of the outstanding
scenic attractions of the world.

Leave Colorado Springs 9:30 P.M.,
August 5th.

Arrive Albuquerque, Santa Fe Lines,
12:30 P.M., August 6th.

Two hours will be spent at this point
looking over the famous Indian Mu-
seum, etc.

Leave Albuquerque 2:30 P.M.,
August 6th.

Arrive Grand Canyon 5:00 A.M.,
August 7th.

Grand Canyon National Park needs
little or no description. It is interna-
tionally known as one of Earth's
scenic wonders.

Leave Grand Canyon 8:00 P.M.,
August 7th.

The rates for the different drives at
this place vary from \$3.00 to \$8.00 per
person, and on this account we are un-
able to group this cost in the total ex-
pense.

Arrive Los Angeles 2:30 P.M.,
August 8th.

All expense at this point has been
left out of the total expense trips as it
will be left to the discretion of the
delegates.

We are submitting two routes re-
turning, one being shorter than the
other to accommodate the ones who feel
they cannot take as much time as those
taking the Yellowstone Park route.

Leave Los Angeles, by Los Angeles
Steamship Co., at 3:00 P.M., August
13th.

Arrive San Francisco 10:00 A.M.,
August 14th.

Leave San Francisco, Southern Pa-
cific, 11:40 P.M., August 14th.

Arrive Portland 7:15 A.M. August
16th.

Leave Portland, Northern Pacific,
11:30 P.M., August 16th.

Arrive Seattle 6:45 A.M., August
17th.

Leave Seattle, Northern Pacific, 5:00
P.M., August 17th.

Arrive Gardner, Northern Entrance
to Yellowstone Park, 11:15 A.M.
August 19th.

Leave Cody Exit from Yellowstone
Park 8:00 A.M., August 23rd.

Arrive Denver, C. B. & Q., 10:05
A.M., August 24th.

Leave Denver 2:00 P.M., August
24th.

Arrive St. Louis, C. B. & Q., 6:30
P.M., August 25th.

The above trip can be made with the
exceptions enumerated at a cost of ap-
proximately \$295.00 per person. This
price also includes all expenses in Yel-
lowstone Park. The shorter and less
expensive of the two routes for return-
ing are as follows:

Leave Los Angeles, Los Angeles
Steamship Co., 3:00 P.M., August 13th.

Arrive San Francisco 10:00 A.M.,
August 14th.

Leave San Francisco, Western Pa-
cific, 9:20 A.M., August 15th, going
through the Feather River Canyon,
one of the finest pieces of scenery on
the American Continent.

Arrive Salt Lake City 3:15 P.M.,
August 16th. This gives you an op-
portunity to see the famous Mormon
Tabernacle, and take a swim in the
famous Salt Lake.

Leave Salt Lake City, D. & R. G.
6:00 P.M., August 16th.

Arrive Denver 9:00 P.M., August
17th.

In the meantime you have passed
through the world-famed Royal Gorge.
Your choice of routes from Denver
home.

Going on the special train and re-
turning via Salt Lake City and Denver
as above makes the total cost of this
trip approximately \$205.00.

All sleeping car fares, meals and
trip up Pike's Peak are included in the
above costs.

Should you desire any further in-
formation, address Associated Retail
Credit Men & Credit Bureau, C. N.
Merriam, Chairman, Transportation
Committee, 416 North 4th St., St.
Louis, Mo.

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A Letter from Our Convention City

Since the holidays have passed and those directly interested in credit have disposed of the usual amount of work brought about by the demands of the season, the credit managers of Los Angeles are prepared to turn their attention to the coming convention which will be held in Los Angeles as a Pacific Coast Convention the second week in August of this year.

Perhaps it would be of interest to the members of the National organization to know that plans for this occasion are taking form and are being laid with considerable breadth and much care. We are all but ready to announce the convention headquarters, a hotel beautifully situated and thoroughly appointed to entertain a body similar to our National. It lends itself to the development of many features and it is our wish to insure the delegates that thought is being given to proper entertainment.

It is felt that this convention offers an opportunity to many to visit the Pacific Coast who may not be fortunate enough to do so otherwise. The unbiased opinion of many residing in the East is to the effect that such a trip is fully worth while. It should be held in mind that while the convention itself is to be an outstanding attraction—that we can assure you—our thoughts for a time may be turned to other aspects.

To cross the plains of the Middle West; to view the Plateau region of New Mexico and Northern Arizona unfolds pictures of greatness and grandeur that must be observed to be understood. No doubt there will be many who will be able to view the Grand Canyon. Those coming by the Central route, meaning Colorado, will enjoy the Royal Gorge, the Great Salt Lake, Nevada, and the High Sierras of California, passing the scenes enacted in the days of '49. Others may come by the Northern route, Montana, Idaho and Washington, which states disclose within themselves scenery to justify such a venture. Parties may come one way and return the other, which is advisable. It is held by many that a trip such as this is educational in itself. No one can understand or estimate the vastness of the West without beholding it. It is different and distinct. The grandeur of its mountains, the great expanses of country reaching to the horizon, the lights and shadows belong to the West, and I can say this to you as one reared in the East. The entire country is colorful. It is replete with history and surrounded with a romance all its own. I earnestly believe that one cannot visit

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Extracts from the Annual Report of the General Business Situation of 1925

By Wm. Ries, Credit Manager, Sheridan's New York

Practically every item listed below shows an increase over the last year with a few exceptions which are marked "U" (unfavorable).

Add 000,000 except when marked x.

	1925	1924
Bank Clearings	\$500,000	\$450,000
N. Y. Stock exchange		
Number of shares	460	280
Bonds	\$ 3,300	\$ 3,800 U
Average price		
x 20 R. R. stocks	\$ 112.00	\$ 98.00
x 20 Ind. stocks	\$ 155.00	\$ 120.00
x 40 Bonds	\$ 92.00	\$ 90.00
Loans 12 Fed. Res. Banks	\$ 830	\$ 580
Loans Member banks	\$ 1,300	\$ 1,200
New Life Insurance	\$ 15,600	\$ 13,200
Savings—Deposits	\$ 23,100	\$ 21,100
Savings—Deposits Nos. of accounts	\$ 43,800	\$ 38,700
Failures (Liabilities)	\$ 450	\$ 540
Fire Losses	\$ 370	\$ 370
Capital Issues	\$ 7,100	\$ 6,300
R. R. Gross earnings	\$ 6,100	\$ 5,900
Net earning	\$ 1,100	\$ 900
Building contracts awarded	\$ 5,800	\$ 4,400
Mail Order Houses		
Retail Trade—(Sales)	\$ 440	\$ 380
Chain Stores—(Sales)	\$ 500	\$ 430
Foreign trade—export mdse.	\$ 4,900	\$ 4,500
Import mdse.	\$ 4,200	\$ 3,600
Export surplus	\$ 700	\$ 900 U
Cotton Consumed—bales	6.4	5.5
Export—bales	8.5	6.7

Prices—1925-1924

	Production
Cotton—Bales	15
Tobacco—lbs.	1,300
Corn—bu.	2,900
Wheat—bu.	670
Iron—tons	36
Autos—number	3.8
Coal—tons	580
Oil bbls.	750

Analysis of Failures of 1925

Metal Industries	20,000,000
Machinery & Tools	18,000,000
Iron, Foundries & Nails	2,000,000
Lumber, Carpenters & Coopers	20,000,000
Textile Industries	17,000,000
Clothing & Millinery	10,000,000
Woolens, Carpets & Knit G.	4,000,000
Hats, Gloves & Furs	2,000,000
Cottons, Lace & Hosiery	1,000,000
Leather, Shoes & Harness	5,000,000
Glass, Earthenware & Brick	4,800,000
Milling & Bakers	4,500,000
Liquors & Tobacco	4,300,000
Printing & Engraving	3,900,000
Chemical & Drugs	3,400,000
Others	84,000,000
Traders	167,000,000
Textiles	55,000,000

Clothing & Furnishings	33,000,000
Dry Goods & Carpets	21,000,000
Hats, Furs & Gloves	1,000,000
Foods	
Groceries, Meats & Fish	29,000,000
Hotels & Restaurants	12,000,000
General Stores	41,000,000
Furniture & Crockery	20,000,000
Hardware, Stoves & Tools	10,000,000
Shoes, Rubbers & Trunks	8,000,000
Jewelry & Clocks	8,000,000
Chemical & Drugs	8,000,000
Ligners & Tobaccos	5,000,000
Books & Papers	2,800,000
Others	1,400,000
Agents & Brokers	56,000,000
	215,000,000
	60,000,000
	\$442,000,000

It will be seen from the above that there is very little unemployment, that savings have increased and that there has been a marked increase in the value of stocks.

There are warnings from some reliable sources, that the favorable features in the matters of unemployment and savings may be somewhat offset by a larger monetary inflation as a result of increased installment sales. While in this country we hear considerable criticism of European countries for inflation of their currency, American manufacturers in many lines are charged in some quarters with producing the same condition every time sales resistance develops by lengthening their terms to reach a larger number of buyers who could not formerly be reached. This constant extension of the time element, if carried on indefinitely could, of course, result in a serious inflation of credit, and since credit serves the same purpose as actual money, it amounts in the end to monetary inflation. Credit organizations should possibly take into consideration a movement to check an abuse of this practice.

On the whole, however, it would appear that the United States has entered a period of great prosperity, with all current indications pointing to the continuance of that prosperity. Of prime importance, is the improved condition of farmers in this country and the general improvement of conditions abroad in practically all countries except France.

It may be that the building trades with the influence they exercise over general business require attention, especially the apparent over-supply of office buildings and apartments of certain types.

Other good features are the increased earnings on capital invested in agriculture; higher earnings of labor; the gain of 66.10 per cent in carloadings; a gain of 19 per cent in the activity of basic industry and increases in bank clearings, stock sales, building and retail trades, together with a decline in business failures.

Against all this there was an unfavorable trade balance in November, 1925, a decline in wholesale prices, the unsatisfactory fuel situation, a decrease in food stock and an increase of 39 per cent in raw and manufactured commodity stocks, indicating that goods are accumulating on shelves, instead of being distributed.

The favorable factors, however, outweigh these unfavorable elements; and it is the consensus of opinion in credit circles, collections have improved since the first of the year, and will continue to do so.

A Letter from Our Convention City

(Continued from Page 23)

the Pacific Coast without having his retrospective and understanding broadened and return home a better citizen as the result of such an experience. Just as we go East and form acquaintances and gather ideas which are found beneficial, just so can the East come West. The distance should lend enchantment and should not be regarded as a drawback. It is all a matter of mental attitude. It is five hundred miles to San Francisco, yet we visit one another quite as regularly as those of New York visit those in Philadelphia. Men from Arizona come in six hundred miles to at-

tend meetings in Los Angeles and the State Associations of California holds first a meeting in the North and then one in the South, and you should understand that California is one thousand miles in length.

The men and women of the East are no different from those of the West. Keep in mind those now residing here originally came from the East. We desire to welcome to the Pacific Coast, delegates and others to the convention in 1926. We can assure you that we are preparing properly for you. The setting is all that it should be; the temperature will be found refreshing; the sea is conveniently by, and I suggest to

you that you make it your business to "tune in" the orchestra on those evenings that it plays in the Cocoanut Grove and you will get a little touch of our atmosphere.

Later I wish to acquaint you from time to time with various angles, perhaps going into some detail at times that you may have a full understanding.

Property Owned by Man and Wife Cannot be Taken for the Debt of Either

(Continued from Page 23)

Court of Bankruptcy has no right to take such property into its custody when he is thrown into bankruptcy.

"For your information we might add the law relating to the estate by the entirety came down to us from the Old English law and grew out of the policy that a family might be able to hold property which could not be taken by the husband's creditors. The reasons are similar to those surrounding our homesteads and other exemptions allowed by law. There seems to be two sides to this question at the present time because the conditions of our business life are not the same as those in England which gave rise to this principle of law. However, these deeds to husband and wife jointly, as other deeds, are recorded and creditors have notice of the fact that they can not touch this property for the husband's debts alone, and should be governed accordingly. The only safe thing to do in such case is to have the husband and wife both execute the note, making it their joint debt. Our understanding of the law is that joint property can be taken to satisfy the joint debts of the husband and wife.

"It is therefore our opinion that in this State, land held by husband and wife in the entirety can not be sold, levied upon, or disposed of in any proceeding for the sole debts of either husband or wife. They have the right voluntarily to convey it away by both assenting to it, but it cannot be taken away from them by compulsion, unless for their joint debts."

We are advised that there is at least one exception to the above rule, and that is when the debtor acquired the property which is being held by the entirety, after the debt was made and under such circumstances as to constitute fraud against his creditors.

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